A Bordeaux wine sold for less than €1 through mass retail outlets: a pernicious strategy for everyone concerned

For the first time ever, a mass retail outlet is marketing an AOC Bordeaux red wine at less than €1 per bottle*. Reacting to this news, KEDGE Business School brings you the expert opinion of Jacques-Olivier Pesme, Director of the KEDGE BS Wine & Spirits Academy, who considers the likely consequences of this aggressive strategy for the wine producing industry, the mass retail sector and consumers.

“This news will certainly shock many people. And with good reason. Under the circumstances, this is rather bad news”, stressed Jacques-Olivier Pesme, who briefly explained why this strategy is likely to be harmful:

• Bad news for Bordeaux wine and French wine in general. The way we position our wines in the market is important to us all, with the aim being to collectively maintain a certain image of quality. This was one of the key aspects of the 'Bordeaux Demain' plan launched in 2010 to inject fresh dynamism into the Bordeaux wine sector. At less than €1 a bottle, even if this price only applies after a reduction, such a price is still difficult to justify.

• Bad news for the mass retail sector, whose in situ sales are falling, in favour of shorter circuits. The mass retail sector, which sometimes likes to present itself as the partner of small producers, certainly can’t take any pleasure in such a price war. We know the minimum price that wine should reasonably be expected to cost.

• Finally, bad news for the consumer, who is fooled into thinking that you can enjoy a decent drink for almost nothing at all. We need to educate people to drink better and not encourage them to drink at any price.

Jacques-Olivier Pesme is at your disposal for any requests for reports or interviews concerning this news item.

*Source: Rayon Boissons - Quand Carrefour vend du bordeaux à 0,96 € la bouteille (06/03/2017) Further information about Jacques-Olivier PESME:

Jacques-Olivier Pesme is the Director of the KEDGE Business School group’s Wine & Spirits Academy. Holder of a double doctorate (University of Bordeaux and University of Florida), and a specialist in stakeholder, territorial and international market strategies, he is regularly called in to work with private companies and various national and international public institutions (UNCTAD, WTO, EU, United Nations, etc.). He is the founder and manager of a collection published in cooperation with the World Trade Organisation in Geneva. Administrator of the Institut des Sciences de la Vigne et du Vin [Institute of Vine and Wine Science] (Faculty of winemaking of Bordeaux), and winner of the first prize of the Oenovation Prize in 2004 for the best technological innovation in wine, he is a radio commentator on the InVino BFM programme and collaborates with organisations in the wine sector in France and abroad. Rated as being one of the most influential figures in the wine world (Revue du Vin de France 2015 - French Wine Review) for his work to support the sector, he is currently working with the Canadian federal government on the prospects for developing and structuring the Canadian wine-producing sector. Jacques-Olivier Pesme is the Vice-President and founder of the Wine & Business Club of Bordeaux.

About KEDGE Business School:

KEDGE Business School is a benchmark French business school with four campuses in France (Paris, Bordeaux, Marseille, and Toulon), two in China (Shanghai, Suzhou) and four partner campuses (Avignon, Bastia, Bayonne and Dakar). The KEDGE BS community is made up of 12,000 students (25% of whom are international students), 196 professors (44% of whom are international), 300 international academic partners and 54,000 alumni around the world. KEDGE BS offers a portfolio of 31 training programmes in management and design for students and industry professionals. It also provides customised educational programmes for businesses at national and international levels. Ranked by the Financial Times in 33rd place among the best
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and AMBA accreditation, is recognised and approved by the French state and is a member of the Conférence des Grandes Ecoles.

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